

Remarks on Balanced Budget Legislation and an Exchange With Reporters *August 1, 1997*

The President. Good morning. Today Congress will send to me for my signature the first balanced budget in a generation. This budget will help millions of families to raise their children, educate them, and provide health care for them. It is an investment in the hopes and dreams of the American middle class, and I look forward to signing it.

This morning we have further evidence that the strategy of balancing the budget while investing in our people and selling more American products around the world has helped to produce sustained prosperity for Americans. The new figures indicate 4.8 percent unemployment in July and 316,000 new jobs. Our economy is growing, with the lowest unemployment in 24 years.

This economic rebirth is due to many things: first and foremost, the hard work and productivity of American businesses and American workers, the spirit of American entrepreneurs, the diligence of the Federal Reserve. But there is no doubt that the economic strategy we put in place in 1993 created the conditions for the extraordinary private sector growth we have all witnessed.

The day I took office, the deficit was \$290 billion; today, even before the budget agreement, it had been reduced by 80 percent. Four straight years of deficit cuts have begun to put our fiscal house in order. The low interest rates that have resulted have produced the economic expansion as well as real benefits for ordinary Americans: lower car payments, lower mortgage rates, lower credit card rates. It also made possible—that 1993 agreement did—this budget agreement that has spending cuts and tax cuts and very large increases in investments in education and health care.

This year we had a choice: whether to succumb to gridlock and undercut confidence in our economy or continue our successful strategy into the 21st century. I am pleased that very large bipartisan majorities in both Chambers, including over 75 percent of the Democrats on all the votes, have voted to continue our economic approach and keep our prosperity going. There are many reasons why I believe it will

strengthen America, but let me just mention one of them as I close.

For years, as our economy has gathered momentum, we've looked for ways to make sure all Americans reap the rewards of that prosperity. The tax cuts in this balanced budget will directly and immediately improve the standard of living of millions of middle class families. For a typical middle class family with two children, the child tax credit alone amounts to a \$1,000 raise in take-home pay. The college tax cuts will help families even more. And by encouraging more Americans to get the education they need, these education tax cuts will boost the long-term earning potential of all Americans who use them and, therefore, the long-term strength and wealth of the American economy.

Let me make one other point. This balanced budget will close a chapter in American history, years—decades, in fact—when our people doubted whether Government could work for them and questioned whether our Nation could set and meet goals. Over the past 4 years, through tough, persistent, patient effort, we have made unparalleled progress, rolling back the crime rate, reducing welfare rolls by historic numbers, and now finishing the job of balancing the budget. All Americans can be proud of what has been accomplished.

But let me say, too, that we know there are still challenges we have to meet to fully prepare our people for the 21st century. We must move ahead now to set national education standards and test our children on whether they're meeting them; to make further progress in the work of racial reconciliation; to open more foreign markets to American products; to move on our environmental problems; and finally, to address the very real challenges of long-term entitlement reform. I look forward to dealing with all these issues.

If we follow the path that has proven so successful in this balanced budget process, working to find common ground on common challenges, then I have no doubt that we will move forward together into the 21st century.

Thank you very much.

Terrorist Attack in Jerusalem and Arrests in New York City

Q. Is there a connection between Hamas and the New York arrests? Is there a connection there?

Q. Mr. President, there seems to be some confusion about whether or not you think this is a good time to send Secretary of State Madeleine Albright on her first trip to the Middle East. Could you tell us where that possibility stands and the level of cooperation between the Israelis and the Palestinian Authority? And if you could, what, if any, connection to the Middle East—to the Jerusalem bombing—occurred in New York yesterday with this foiled bombing plot?

The President. Let me—Mr. Plante [Bill Plante, CBS News] asked that question, and you asked that. Let me try to answer both of them. I have to go meet with President Aliyev of Azerbaijan, but I will try to answer them both quickly.

First of all, when the period of mourning is over, I will send Dennis Ross to the Middle East, to meet with the leaders there, with our latest ideas. I think it was appropriate to delay that in view of the terrible loss of life from the bombing. And then we will see where we are. I have said all along that I would send the Secretary of State to the Middle East at the appropriate time. But I want Mr. Ross to

go there to do the work I am sending him to do to get the reaction of the leaders, and then we'll make a decision.

Secondly, with regard to the arrests in New York yesterday, first of all I'd like to commend the law enforcement officials, both the New York City officials and the Federal officials who were participating in it; and secondly say that I cannot comment and cannot reach a final conclusion yet because I haven't received a report of the direct investigation done, including the interrogation of the people who were arrested.

But I will say that we have worked very hard in this country to increase our capacity to deal with terrorism. It is something we take very seriously, and we will continue to do that. We will work very hard. But I think it's important not to reach conclusions before we have ironclad evidence to support them. The main thing we need to do is to thank the law enforcement officials for what they did and to continue to heighten our vigilance and our capacity to deal with such matters.

Thank you very much.

NOTE: The President spoke at 11:12 a.m. in the Rose Garden at the White House. In his remarks, he referred to President Heydar Aliyev of Azerbaijan and Special Middle East Coordinator Dennis Ross.

Joint Statement on Azerbaijan-United States Relations *August 1, 1997*

During their August 1, 1997 meeting in Washington, Presidents Clinton and Aliyev agreed on the importance of expanding the partnership between the United States and the Republic of Azerbaijan through strengthening bilateral cooperation in the political, security, economic and commercial spheres. President Clinton reaffirmed U.S. support for the independence, sovereignty, territorial integrity, and democratic development of Azerbaijan, noting that close U.S.-Azerbaijan relations are important in promoting regional peace, stability and prosperity.

The two Presidents expressed strong support for an early and peaceful resolution to the

Nagorno-Karabakh conflict. President Clinton made clear that the United States is committed, together with Russia and France, to work jointly through the OSCE Minsk Group for a just and lasting peace to this conflict. President Aliyev endorsed the recent proposal of the Co-Chairs of the OSCE Minsk Group as the basis for intensified negotiations to achieve a peace agreement this year. The two Presidents agreed that the settlement should be based on the three OSCE Lisbon principles.

Both Presidents noted the positive contribution made by U.S. humanitarian assistance to Azerbaijan, particularly to refugees, internally displaced persons (IDPs), and other needy